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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- ¶1. Mideast
- **1**2. Iran
- 13. Anniversary of 9/11

Key stories in the media:

The media quoted PM Benjamin Netanyahu as saying yesterday before an

audience of Likud members in Tel Aviv that Israelis were ready to make concessions for peace, but that they will not be "suckers" in peace negotiations. Media quoted him as saying that since his Bar-Ilan University speech, "I have been working on getting international recognition for two things: Israel as the Jewish homeland and that any peace agreement must include security arrangements. We will not allow for a 'Hamastan' among us. Addressing the settlers, whom he called Qloyal and good citizens, he said: QYou deserve to live normal lives. We will do two things at the same time: advance the peace process and enable you to live normal lives.Q YediotQs online service Ynet reported that Culture and Sports Minister Limor Livnat joined the camp of the Likud Qrebels.Q Some media reported that Minister Silvan Shalom also joined up with the dissenting Likud members.

The Jerusalem Post reported that two senior U.S. officials told Jewish leaders in Washington yesterday that the U.S. is laying the groundwork for sanctions against Iran after having become increasingly disenchanted with the strategy of engagement. Under Secretary of State for Political Affairs William Burns was quoted as saying that the Obama administration wants to prepare for sanctions now, so that it will be ready to implement them at the end of the year if it comes to that, and not have to start from scratch at that point. Top White House Middle East adviser Dennis Ross, appearing beside Burns at the panel discussion with the Jewish leaders, explained that the administration's focus on diplomatic engagement had shifted following the Iranian elections, and indicated that the White House now had a more skeptical view of that approach which could give way to sanctions.

HaQaretz reported that, less than two weeks before the U.N. General Assembly is to meet, PA President Mahmoud Abbas remains adamant in his refusal to meet with Netanyahu, potentially jeopardizing the Obama administration's plans to hold a three-way meeting in New York on September 23 or 24. Abbas insists there will be no meeting with Netanyahu, nor a resumption of negotiations, unless Israel completely freezes settlement construction in the West Bank and East Jerusalem. HaQaretz says that the U.S. and Israel are still hoping that an agreement on a temporary freeze in settlement construction, along with an Israeli announcement to that effect, will convince Abbas to change his mind. HaQaretz has learned that Abbas has relayed messages in recent days to senior U.S. and European officials, as well as Israeli officials, saying he did not intend to participate in a tripartite meeting at the UN General Assembly and that he was not willing to meet with Netanyahu. HaQaretz quoted a diplomatic source in Jerusalem as saying that Israel's recent announcement of 455 new building permits and the delay in declaring a freeze in settlement construction are the reasons Abbas is refusing to participate in the meeting.

The Jerusalem Post reported that PM Netanyahu's scheduled meeting with U.S Special Envoy George Mitchell on Monday will deal not only with the settlement issue, but also with a timeline and the parameters of talks that are expected to be launched with the Palestinians on the sidelines of the U.N. General Assembly meeting later this month. Although no formal announcement has yet been made, Mitchell is expected to arrive in Israel either Saturday night or Sunday for another round of talks. It is not clear whether he will be going to other states in the region. The Jerusalem Post quoted diplomatic officials in the U.S. as saying that President Obama is keen on some kind of foreign policy success at what some —because of the intense debate surrounding his health care reform —are calling a "defining period" of his young presidency.

The Jerusalem Post quoted high-ranking Fatah official Jibril Rajoub as saying yesterday that Fatah welcomes a new Egyptian proposal aimed at solving its dispute with Hamas. The Egyptian proposal has the support of Hamas as well.

HaQaretz reported that France called on Russia yesterday not to complete the sale of advanced air defense missiles to Iran.

Sunday will mark the 16th anniversary of the signing of the Oslo Accords in Washington. President Shimon Peres told HaQaretz that the agreement is Qalive and kicking.Q HaQaretz (Akiva Eldar) brings the reflections of, and a little breast-beating by, three of the agreementQs architects on their lasting contributions. Yossi Beilin is quoted as saying: QOslo changed the entire conceptual system of Israeli society. It did to Israel what all the wars, including the

trauma of the Yom Kippur War, did not.Q Uri Savir, who is also unsparingly critical of Yasser ArafatQs failure to create institutions and fight extremist groups such as Hamas, states: QWe were too heavy-handed with security and we were unaware of its effect on poverty and terrorism in the territories.Q Yair Hirschfeld comments that without a fundamental change in the situation on the ground, a final-status arrangement is impossible.

The Jerusalem Post reported that this week the Jerusalem MagistrateQs Court ordered a halt to a number of construction projects in the East Jerusalem neighborhood of Silwan, after residents and two local NGOs filed a petition claiming the projects were illegal.

The Jerusalem Post quoted the Israeli human rights organizations Kav Laoved and Gisha as saying that when permits are issued for Palestinians to work in construction, information on which contractors have received the permits, and how many, should be made public. Suspicions of black market trade have arisen following the approval of 5,0000 new permits.

HaQaretz reported that FM Avigdor Lieberman is returning today from a visit to five African states, where in addition to discussing Africa's internal problems, he and his entourage laid the groundwork for weapons deals. Among other matters, the daily reported that Ethiopia, which has long had friendly relations with Israel, is willing to allow Israeli military agents operate there.

The media believe that NetanyahuQs military secretary Maj. Gen. Meir Kalifi is likely to become a scapegoat over his false explanation of the PMQs clandestine trip to Russia on Monday. The Jerusalem PostQs Herb Keinon speculated that the destination of NetanyahuQs travel could have been a different one -- Saudi Arabia for instance.

The media quoted GOC Central Command Maj. Gen. Gadi Shamni as saying yesterday that IDF soldiers were not authorized to attack Palestinian civilians during arrest raids, adding that those who cross the army's "red lines" must stand trial. Shamni said the IDF never authorized the use of such aggression during questioning of detainees. Shamni's comments came during the trial of First Lt. Adam Malul who is accused of hitting a Palestinian during an arrest.

A difference of opinion has arisen with the IDF ranks between those who justify such action and those who oppose it.

The Jerusalem Post reported that Israeli and PA police forces together with the IDFQs civil administration are increasing their cooperation, and have implemented a series of confidence-building measures over the past two years.

HaQaretz and Yediot reported that senior Israeli jurists are recommending that the state fundamentally reform immigration policy to naturalize long-time foreign workers, draft an immigration law, and create an immigration ministry.

The media reported that the Ofer familyQs Israel Corporation hinted yesterday that the Zim shipping firm may not be able to meet its obligations. The corporation owns about 98.5% of ZimQs shares.

Major media reported that archeologists recently discovered the earliest Jewish description of a Second Temple period candelabra (or menorah) in a dig at the site of a synagogue on the shores of the Sea of Galilee.

11. Mideast:

Block Quotes:

Columnist Shmuel Rosner, who was HaQaretzQs correspondent in Washington, wrote in the popular, pluralist Maariv (9/11): QWhen Netanyahu returned from London, he had already agreed to a moratorium on new building in the settlements. But the duration of the moratorium has not been fixed. The full picture of the Arab commitments has not entirely cleared up either. The Americans view a split list: the commitments that have already been, and those in the making. They gently hinted to the Israeli envoys that any bombastic announcement about the construction of 400 housing units in the territories, any governmental spin for domestic political purposes, will carry an Arab price tag.... Mitchell has already erased at least one item from the list of what he had apparently managed to receive.

II. "Tactical Victories"

Editor-in-Chief David Horovitz wrote in the conservative, independent Jerusalem Post (9/11): QPublicly, the White House has condemned the new-old building plans, but plainly Netanyahu's deft build-then-freeze combination has not derailed the Obama administrationQs plans to broker a formal resumption of substantive Israeli-Palestinian talks in the next few weeks, possibly with a launch that coincides with the U.N. General Assembly session. According to some in Jerusalem, moreover, the months of talks on the parameters of a freeze have also gradually yielded a softening of the initial absolute American demand that all building come to a halt everywhere beyond the Green Line. What hasnQt changed [since the Oslo Accords], at least not for the better, is the Palestinian position Q the same maximalist stances, the same relentless anti-Israel incitement, and the same refusal by leaders to acknowledge and convey to their people the legitimacy of Israel. If Obama and Netanyahu have found a middle ground, there is sadly no evidence that Abbas is traveling in the same direction. For the hesitant Rabin of 1993, as a consequence, substitute a wary Israel in 2009 -- an Israel backing a prime minister heading into negotiations expecting rejection, deadlock, and worse. How fervently we wish to be proved wrong.

III. "Preparing for the American Peace Plan"

Shaul Arieli, member of the Council for Peace and Security, wrote in the independent, left-leaning HaQaretz (9/11): QOn the Israeli-Palestinian track, the Americans will seek to create circumstances on the ground which would enable the building of the state-in-the-making. In addition, they will offer their own bridging proposals which will be gradually presented to both sides in the two years allotted for the negotiations. The American proposals will be laid out on the negotiating table through a variety of diplomatic means -- ranging from an international peace conference based on the Madrid model, to an exchange of letters based on the Oslo model, to the deposits based on the Syria model, to the detailed parameters for a solution to the conflict based on the Bill Clinton model. One should hope that the Americans, who were smart enough to adopt the ... Qeither/orQ approach, will refrain from meeting halfway on the key issues, be they a freeze in settlement construction or the right of return. At Camp David and Taba, we learned that halfway compromises of this nature on each issue individually do not bring the two sides closer, but rather creates a lose-lose situation. The compromise must be aimed at a comprehensive package deal: Israel as the state of the Jewish nation which enjoys security, recognition and peace; and an independent Palestine alongside it.

IV. "Benjamin the Giver"

Haggai Segal, who was a member of the QJewish undergroundQ in the 1980s, wrote in the mass-circulation, pluralist Yediot Aharonot (9/11): QListen, complacent Likudniks: Netanyahu is mentally capable of returning you to the Q67 lines Q yes, in Jerusalem too. Three months ago he hummed Qtwo states for two peoplesQ according to ObamaQs tune; he now even freezes MaQaleh Adumim; tomorrow he will concede everything. If you donQt tell him QnoQ as soon as possible, he will continue to say only Qyes.

<u>¶</u>2. Iran:

Block Quotes:

11. "The PMQs Skewed Threat Perception"

Political/diplomatic correspondent Gil Hoffman wrote in conservative, independent Jerusalem Post (9/11): QThe tables have turned and Netanyahu is doing much better in the polls than U.S. President Barack Obama, ahead of an anticipated meeting of the two men soon in New York. Ironically, this means it will now be harder for Netanyahu to use political problems as a reason to say no to anything Obama would want him to do. But if Netanyahu does talk about imminent political threats against him, Obama should not assume that the Prime Minister is being economical with the truth. The President should instead understand that whether or not the computer, the radio, and the television are on, Netanyahu sometimes truly sees internal political threats that are not that serious. Yet Netanyahu and Obama will not be getting together to discuss internal politics but grave matters of war and peace. And when it comes to the external threats facing Israel, one can only hope that the Prime Minister correctly judges the scale of the threats, and responds accordingly.

II. "Countdown to Takeoff"

Military correspondent Amos Harel wrote in the independent, left-leaning Ha'aretz (9/11): QFor an Israeli attack [on Iran] to be considered, Israel would need the tacit approval of the Obama administration, if only in the sense that it looks the other way. This is due above all to the necessity of passing through the Iraqi air corridor, as American soldiers will still be in Iraq in 2011. No less important is strategic coordination for the day after: How will the United States react to a prolonged aerial attack by Israel on the nuclear sites and to the regional flare-up that might follow? These are matters that would have to be agreed on directly between Obama and Netanyahu. The disparity in their policy stances, together with the total lack of personal chemistry between them, is liable to prove a hindrance. Iran is likely to respond to an Israeli attack by opening fronts nearby, via Hizbullah from Lebanon and Hamas in Gaza. Three years after the Second Lebanon War and at the end of a broad process of learning lessons from that conflict, the IDF is quite confident of its ability to deal with Hizbullah. At the same time, it's clear that Israel will be subjected to extensive rocket attacks that can be expected to cover most of the country. A key question would be Syria's behavior. Israel has a salient interest in having Damascus be no more than a spectator in a confrontation. If the attack on Iran is perceived to have been successful, that is probably how the Syrians will respond. But an attack on Iran will reopen a decades-old blood feud -- and the Iranians have both a long memory and a great deal of patience. decisions like this looming within a year, it's no wonder that Netanyahu wants to get the Gilad Shalit affair wrapped up.

<u>¶</u>3. Anniversary of 9/11:

Block Quotes:

"Intil the Newt Curryice

"Until the Next Surprise"

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz (9/11): QIt's bad enough that al-Qaida killed Americans. It has also continued to make a mockery of them, which just goes to show that brains do not always go hand in hand with brawn.... An American commission of inquiry headed by Thomas Kean, the former Governor of New Jersey, blamed the Bush administration for the 9/11 attacks. In response to Condoleezza Rice's question, in which she wondered how we could have guessed

that they would hijack passenger airplanes with the goal of crashing them into buildings, Kean replied that at least two intelligence agencies possessed information which indicated that such an event would take place. The information, however, was not passed onward, and the available bits of information were not added together, thus ensuring that the plot would not be exposed beforehand. As such, the responsible agencies did not fulfill their tasks. Now we are cognizant and ready, so such an event will not happen again. Until the next lethal surprise.

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